

STATE OF ALABAMA

FRANKLIN COUNTY

SURFACE COAL MINING LEASE AGREEMENT

This agreement is made and entered into on this the 21ST day of DECEMBER, 2011 by and between BOBBY KNIGHT and JUAINETTE KNIGHT, hereinafter called "LESSOR" and BIRMINGHAM COAL AND COKE CO., INC., an Alabama corporation, hereinafter called "LESSEE";

WITNESSETH:

In consideration of the agreements and covenants herein expressed, the LESSOR hereby grants unto the LESSEE the right to surface mine coal from the BEAR CREEK SEAM from the following described property situated in FRANKLIN AND WINSTON COUNTY, ALABAMA, to wit:

TOWNSHIP 8 SOUTH, RANGE 10 WEST: SECTION 31- EAST HALF OF SOUTHEAST QUARTER
SECTION 32-WEST HALF OF SOUTHWEST QUARTER

TOWNSHIP 9 SOUTH, RANGE 10 WEST: SECTION 6- THAT PART LYING EAST OF THE BRANCH IN THE
NORTHEAST QUARTER OF THE NORTHEAST QUARTER

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6. Reclamation- Lessor agrees to execute post mining land use letters designating the Premises as the post mining land use of "no current use or land management". Also, any and all ponds are designated as Permanent Water Impoundments (PWI) and thus Lessor specifies that the post mining land use of any and/or all PWI's be "fish and wildlife". Lessor agrees to accept all liabilities for any and all ponds left as a PWI and Lessor further agrees, upon Alabama Surface Mining Commission (ASMC) release of 100% of all reclamation bonds held by the ASMC, to be responsible for the maintenance of any and/or all PWI's on Lessor's property. Lessee is responsible for the maintenance and liability of all ponds up to and until final 100% release by the ASMC of all reclamation bonds.

Lessor agrees that it is the sole discretion of the Lessee as to any and or all ponds being left as a PWI on the ASMC permit.

Upon 100% release by the ASMC and until the next dry season, any ponds left by Lessee as a PWI will be removed by Lessee upon written request by Lessor. Any ponds left as a PWI may also be removed after 100% release by the ASMC if Lessee is required to remove any said PWI by the U.S. Army Corp of Engineers (USACOE) or if required to be removed by any government agency. Lessor agrees to allow Lessee to remove such structures if Lessee is so required.

(5)

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed on this the

21ST day of DECEMBER, 2011.

Wynne Burr
WITNESS

Bobby P. Knight
BOBBY KNIGHT, LESSOR

Wynne Burr
WITNESS

Juainette Knight
JUAINETTE KNIGHT

BIRMINGHAM COAL & COKE CO., INC., LESSEE

Wynne Burr
WITNESS

Robert A. Lewis
ROBERT A. LEWIS, PRESIDENT

Date: 5-29-2012

To: State of Alabama
Surface Mining Commission
P.O. Box 2390
Jasper, AL 35502-2390

From: Smith
Re: Birmingham Coal & Coke Co. INC
Mine: Knight Mine

To whom it may concern:

As the owner of certain real property of land disturbed at the above referenced facility, I request that my pond/ponds be left as permanent water impoundments. In the event that a change must be made to the status of the PWI/PWI's (change to temporary water impoundments) I leave this to the discretion of Birmingham Coal & Coke, Co. Inc. (hereafter BCC) and know that such change will be made with my consent given and no further documentation needed. I understand that, with this decision, I am to be responsible for the future management and liability of the pond after its final release by the surface mining commission if any or all pond/ponds are left as PWIs.

I also request that the post mining land use be changed to:

- a) Undeveloped lands or no current use or land management
- b) Fish and Wildlife for any PWI's left on the property

In the event a change must be made the choice of post mining land use will be left to the discretion of BCC and may be changed in the future by BCC with my consent given and no further documentation needed.

By signing this document I am stating that I have read and understand this document as a whole and fully agree to its terms.

Sincerely,

SA Smith

5-29-12

Date

Date: 5/29/2012

To: State of Alabama
Surface Mining Commission
P.O. Box 2390
Jasper, AL 35502-2390

From: Greenhill
Re: Birmingham Coal & Coke Co. INC
Mine: Knight Mine

To whom it may concern:

As the owner of certain real property of land disturbed at the above referenced facility, I request that my pond/ponds be left as permanent water impoundments. In the event that a change must be made to the status of the PWI/PWI's (change to temporary water impoundments) I leave this to the discretion of Birmingham Coal & Coke, Co. Inc. (hereafter BCC) and know that such change will be made with my consent given and no further documentation needed. I understand that, with this decision, I am to be responsible for the future management and liability of the pond after its final release by the surface mining commission if any or all pond/ponds are left as PWIs.

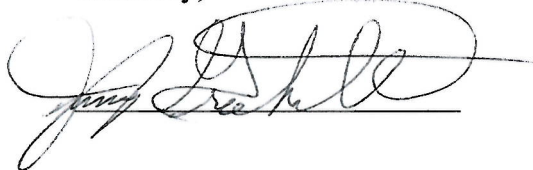
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- b) Fish and Wildlife for any PWI's left on the property

In the event a change must be made the choice of post mining land use will be left to the discretion of BCC and may be changed in the future by BCC with my consent given and no further documentation needed.

By signing this document I am stating that I have read and understand this document as a whole and fully agree to its terms.

Sincerely,



5-29-12
Date